

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6850

BILL NUMBER: HB 1407

NOTE PREPARED: Dec 22, 2006

BILL AMENDED:

SUBJECT: Proof of Financial Responsibility.

FIRST AUTHOR: Rep. Pond

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that an individual operating a motor vehicle who fails to provide proof of financial responsibility to certain police officers upon demand commits a Class C infraction. It provides that a judgment for the failure to provide proof of financial responsibility may not be entered if the individual provides proof of the financial responsibility within ten days to the apprehending officer or the headquarters of the officer. The bill provides that the Bureau of Motor Vehicles (BMV) may not assess points against the driver's license of an individual who has failed to provide proof of financial responsibility to the apprehending officer.

Effective Date: July 1, 2007.

Explanation of State Expenditures:

Explanation of State Revenues: *Penalty Provision:* This bill provides for a Class C infraction for operating a motor vehicle without providing proof of financial responsibility upon the request of a police officer. The number of individuals violating this provision and not being able to provide proof within ten days is unknown. If additional court cases occur and infraction judgments and court fees are collected, revenue to the state General Fund may increase. The maximum judgment for a Class C infraction is \$500, which is deposited in the state General Fund.

If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the judicial salaries fee (\$15), the public defense administration fee (\$3), the court administration fee (\$2), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Penalty Provision:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

State Agencies Affected:

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources:

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